

2/14/96 Local Gov.

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SENATE FILE 2189
BY LUNDBY

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to delinquent property taxes and the time period
2 during which a property tax owner may redeem property sold at
3 tax sales and providing an effective and applicability date.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 2189

1 Section 1. Section 420.227, Code 1995, is amended to read
2 as follows:

3 420.227 NOTICE OF EXPIRATION OF REDEMPTION PERIOD.

4 After nine months from the date of such purchase at tax
5 sale by the city and as soon as permitted by law with respect
6 to any tax sale certificate held by such city, the city clerk
7 shall, on behalf of the city, cause notice to be served of the
8 expiration of the right of redemption from such sale on
9 persons of the same description and in like manner as in
10 general provided by law with respect to tax sales by such city
11 and, on expiration of ~~ninety-days~~ nine months from completed
12 service of such notice, tax deed shall be issued in like
13 manner and with like effect as provided by law with respect to
14 such other sales.

15 Sec. 2. Section 420.241, Code 1995, is amended to read as
16 follows:

17 420.241 DEED -- WHEN EXECUTED.

18 Immediately after the expiration of ~~ninety-days~~ nine months
19 from the date of service of the notice, as prescribed by
20 sections 447.9 to 448.1, the treasurer, collector, or person
21 authorized to act as collector of taxes, shall make out a deed
22 for each lot or parcel of land sold and remaining unredeemed
23 and deliver the same to the purchaser upon the return of the
24 certificate of purchase.

25 Sec. 3. Section 445.39, Code 1995, is amended to read as
26 follows:

27 445.39 INTEREST ON DELINQUENT TAXES.

28 If the first installment of taxes is not paid by the
29 delinquent date specified in section 445.37, the installment
30 becomes due and draws interest of three-fourths of one and
31 ~~one-half~~ percent per month until paid, from the delinquent
32 date following the levy. If the last half is not paid by the
33 delinquent date specified for it in section 445.37, the same
34 interest shall be charged from the date the last half became
35 delinquent. However, after April 1 in a fiscal year when late

1 delivery of the tax list referred to in chapter 443 results in
2 a delinquency date later than October 1 for the first
3 installment, interest on delinquent first installments shall
4 accrue as if delivery were made on the previous June 30. The
5 interest imposed under this section shall be computed to the
6 nearest whole dollar and the amount of interest shall not be
7 less than one dollar. In calculating interest each fraction
8 of a month shall be counted as an entire month. The interest
9 percentage on delinquent special assessments and rates or
10 charges is the same as that for the first installment of
11 delinquent ad valorem taxes.

12 Sec. 4. Section 447.9, unnumbered paragraph 1, Code
13 Supplement 1995, is amended to read as follows:

14 After ~~one-year~~ three years and ~~nine~~ three months from the
15 date of sale, or after nine months from the date of a sale
16 made under section 446.18, 446.38 or 446.39, the holder of the
17 certificate of purchase may cause to be served upon the person
18 in possession of the parcel, and also upon the person in whose
19 name the parcel is taxed, in the manner provided for the
20 service of original notices in R.C.P. 56.1, if the person
21 resides in Iowa, or otherwise as provided in section 446.9,
22 subsection 1, a notice signed by the certificate holder or the
23 certificate holder's agent or attorney, stating the date of
24 sale, the description of the parcel sold, the name of the
25 purchaser, and that the right of redemption will expire and a
26 deed for the parcel be made unless redemption is made within
27 ~~ninety-days~~ nine months from the completed service of the
28 notice. The ~~ninety-day~~ nine-month redemption period begins as
29 provided in section 447.12. When the notice is given by a
30 county as a holder of a certificate of purchase the notice
31 shall be signed by the county treasurer or the county
32 attorney, and when given by a city, it shall be signed by the
33 city officer designated by resolution of the council. When
34 the notice is given by the Iowa finance authority or a city or
35 county agency holding the parcel as part of an Iowa

1 homesteading project, it shall be signed on behalf of the
2 agency or authority by one of its officers, as authorized in
3 rules of the agency or authority.

4 Sec. 5. Section 447.12, Code 1995, is amended to read as
5 follows:

6 447.12 WHEN SERVICE DEEMED COMPLETE -- PRESUMPTION.

7 Service is complete only after an affidavit has been filed
8 with the county treasurer, showing the making of the service,
9 the manner of service, the time when and place where made,
10 under whose direction the service was made, and costs incurred
11 as provided in section 447.13. Costs not filed with the
12 treasurer before a redemption is complete shall not be
13 collected by the treasurer. Costs shall not be filed with the
14 treasurer prior to the filing of the affidavit. The affidavit
15 shall be made by the holder of the certificate or by the
16 holder's agent or attorney, and in either of the latter cases
17 stating that the affiant is the agent or attorney of the
18 holder of the certificate. The affidavit shall be filed by
19 the treasurer and entered in the county system and is
20 presumptive evidence of the completed service of the notice.
21 The right of redemption shall not expire until ~~ninety-days~~
22 nine months after service is complete. A redemption shall not
23 be considered valid unless received by the treasurer prior to
24 the close of business on the ~~ninetieth~~ two hundred seventieth
25 day from the date of completed service except in the case of a
26 public bidder certificate held by the county in which case the
27 county may accept a redemption at any time prior to the
28 issuance of the tax deed. When the parcel is held by a city
29 or county, a city or county agency, or the Iowa finance
30 authority, for use in an Iowa homesteading project, whether or
31 not the parcel is the subject of a conditional conveyance
32 granted under the project, the affidavit shall be made by the
33 treasurer of the county or the county attorney, a city officer
34 designated by resolution of the council, or on behalf of the
35 agency or authority, by one of its officers as authorized in

1 rules of the agency or authority.

2 Sec. 6. Section 458A.20, Code 1995, is amended to read as
3 follows:

4 458A.20 TAX SALE -- REDEMPTION BY OWNER.

5 When any such rights or interests not owned by the owner of
6 the land are sold at tax sale, and when the owner of such
7 rights or interests does not redeem under the provisions of
8 chapter 447 within ninety one hundred eighty days after such
9 tax sale, the owner of the land shall thereafter have the same
10 right of redemption as the owner of such rights or interests
11 has, and redemption by the owner of the land shall terminate
12 all right of redemption of the owner of such rights or
13 interests.

14 Sec. 7. EFFECTIVE AND APPLICABILITY DATE. This Act takes
15 effect June 15, 1996, and applies to parcels first offered for
16 sale for delinquent property taxes at tax sales held on or
17 after that date.

18 EXPLANATION

19 This bill makes changes to the laws relating to delinquent
20 property taxes. First, the interest rate collected by a
21 county for delinquent taxes is reduced by 50 percent, from 1.5
22 percent per month to three-fourths of 1 percent per month.
23 Second, the bill extends the total redemption period from two
24 years to four years. In doing so, the 90-day notice of
25 expiration of right of redemption is extended to nine months.

26 The bill also extends from 90 days to 180 days the time
27 period during which a person who has oil, gas, or other
28 mineral rights in the property, may redeem the property.

29 The bill takes effect June 15, 1996, and applies to parcels
30 first offered for sale for delinquent property taxes at tax
31 sales held on or after that date.

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